



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

FY-03-138

RELAY MISSOURI SURCHARGE ADJUSTED

Jefferson City (April 1, 2003)---To ensure an adequate funding level, the Missouri Public Service Commission has adjusted the Relay Missouri surcharge a penny from 9 cents to 10 cents a month per telephone access line in Missouri.

The Relay Missouri Program provides deaf, hearing-impaired and speech-impaired citizens access to the telephone network to complete a call. A communications assistant translates a call so that a hearing/speech impaired party can communicate with any other party.

In a November 5, 2002 filing, the Staff of the Missouri Public Service Commission asked the Commission open a case to review the surcharge that funds the Relay Missouri Program. As part of the filing, the PSC Staff recommended that the current surcharge of 9 cents a month per telephone access line not be changed. In a supplemental recommendation filed on February 10, 2003, the PSC Staff recommended the surcharge increase from 9 cents a month per telephone access line to 10 cents a month per telephone access line. That recommendation was based on updated projections.

The PSC Staff noted that in the last four months, the Relay Missouri fund balance had continued to steadily decline. At the end of September 2002, the fund balance was \$6,488,386. As of January 31, 2003, the fund balance was \$4,989,072, a 23 percent decrease over a period of four months. The PSC Staff updated its revenue and disbursement projections and resulting fund balances, and based upon the updated information, Staff expects the Relay Fund balance to be depleted between August and September 2004, two months earlier than previously projected. Staff believes that an increase in the surcharge to 10 cents per access line should allow the Relay Fund to remain positive until the next review period and keep the Fund balance at a reasonable level.

The Commission has determined Staff's revised recommendation to increase the surcharge from 9 cents a month to 10 cents a month per access line is just and reasonable and should be adopted. "The Commission notes that predicting the depletion rate of the fund is quite difficult. However, the evidence suggests that without an increase in the surcharge, the Relay Missouri Fund balance will continue to decline significantly, potentially reducing the fund balance to an unreasonably low level before the next review period."

Background: In 1990, the Missouri General Assembly enacted legislation requiring the Missouri Public Service Commission to investigate and determine the most beneficial and cost-effective method to implement a statewide dual party relay system. Missouri law requires the Commission to review the monthly surcharge no less frequently than every two years but no more than annually and to concurrently review the percentage deducted and retained by local telephone companies for billing and collection costs.

In March of 2001, the Missouri Public Service Commission lowered the monthly surcharge from 13 cents a month per telephone access line to its current rate of 9 cents a month in order that revenues generated reflect expenses to administer the fund.

---0---

Case No. TO-2003-0171